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AGRICULTURAL COOPERATION

February 23, 1929

Vol. VII, No. 4.

COOPERATION AT TERMINAL LIVESTOCK MARKETS

Cooperative activities on terminal livestock markets were much greater in 1928 than ever before. Twenty-six co-operative sales agencies on 20 markets received from local shipping associations and individual shippers approximately 12,000,000 animals which were sold for about \$275,000,000.

In addition to the animals sold these cooperative enterprises purchased nearly 350,000 animals for farmers wanting stockers or feeders. These animals had a market value of nearly \$8,000,000.

Twelve of the cooperative agencies are affiliated with the National Live Stock Producers' Association, nine are creations of the Farmers' Educational and Cooperative Union, and five are independent enterprises.

There are three cooperative agencies operating on the South St. Paul market. Two associations are operating at each of the following markets: Chicago, East St. Louis, Kansas City, and Sioux City; and one association at each of the other markets, namely: Buffalo, Cincinnati, Cleveland, Denver, Detroit, Evansville, Ind., Fort Worth, Indianapolis, Milwaukee, Omaha, Peoria, Ill., Pittsburgh, St. Joseph, Mo., Springfield, Mo., and Wichita, Kans.

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION
COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

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Several copies of No. 26 of Vol. II (Dec. 15, 1924) of Agricultural Cooperation are desired for library files. It will be appreciated if those with extra copies of this number will forward them to Agricultural Cooperation, Department of Agriculture, Washington, D. C.

AGRICULTURAL COOPERATION

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SEVEN YEARS OF LIVESTOCK TERMINAL MARKETING

Since the first agency of the National Live Stock Producers' Association began operating at East St. Louis, January 2, 1922, more than 34 million animals have been handled by terminal associations affiliated with the national organization. More than 96 per cent of the animals handled were sold for local shipping associations or individual producers, between two and three per cent of the animals were purchased for farmers wanting stockers or feeders, and about one per cent of the total business represented transactions for yard traders. Approximately 70 per cent of the animals handled were hogs; nearly 15 per cent were sheep; about 8 per cent, cattle; and 7 per cent, calves.

There has been a decline in the number of cattle sold during the past six years owing to much smaller market receipts and there have been marked increases in the number of calves, hogs, and sheep sold. This is indicated by the revised figures for the number of animals sold during the years 1923 to 1928 given in the table below. The figures for 1922, also are given, but are not included in the above statement as but one producer agency operated for the entire 12 months.

Year	Cattle	Calves	Hogs	Sheep	Total
1922*	90,612	49,737	1,019,859	99,527	1,259,735
1923	401,500	276,204	3,735,000	418,707	4,831,411
1924	526,521	429,828	4,784,974	658,634	6,399,957
1925	399,383	344,480	3,275,847	614,386	4,634,096
1926	451,476	380,751	2,968,777	866,886	4,667,890
1927	393,436	395,300	3,548,163	1,045,261	5,382,160
1928	346,760	399,670	4,157,114	1,009,760	5,913,304

*Total head handled.

Six agencies were started by the National Live Stock Producers' Association in 1922, namely, those operating on the stock yards at East St. Louis, Indianapolis, Chicago, Peoria, Buffalo, and Fort Worth. Fourteen agencies were following National leadership before the close of the second year. The livestock markets at which there were Producer organizations during 1928 and the number of animals handled at each by Producer associations are as follows:

Market	Number of animals handled			
	Sold	Bought	Traders*	Total
Chicago	1,261,101	58,122	14,234	1,333,457
E. St. Louis	1,149,612	9,203	17,228	1,176,043
Indianapolis	823,100	1,598	5,165	829,863
Buffalo	508,036	-----	-----	508,036
Detroit	414,553	**29,832	660	445,095
Cincinnati	352,094	135	2,091	354,320
Cleveland	341,218	**39,292	-----	380,510
Pittsburgh	311,934	-----	-----	311,934
Sioux City, Ia.	237,484	6,208	2,394	246,086
Peoria, Ill.	196,457	-----	-----	196,457
Kansas City	181,387	32,895	1,420	215,702
Evansville, Ind.	136,328	-----	-----	136,328
Total	5,913,304	**177,335	43,192	6,133,831

* For traders.

** Subject to revision.

Net earnings for the Producer agencies amount to \$1,878,453 for the seven-year period. The best year was 1924 when the earnings were \$424,986. The earnings for the first of the seven years (1922) was \$94,750 and for the last (1928) \$318,863.

The growth of this movement for the cooperative marketing of livestock on the terminal markets is indicated by the following figures:

Year	Agencies*	Animals handled	Value of Animals
(Number)			
1922	6	1,259,735	\$ 27,096,730
1923	14	4,906,609	91,568,957
1924	13	6,527,991	122,728,193
1925	14	4,849,718	126,524,313
1926	13	4,854,549	134,259,004
1927	13	5,590,728	131,014,076
1928	12	**6,133,831	#138,263,824

* Including agencies affiliated with National Live Stock Producers' Association for various lengths of time.

** Sold, purchased and handled for yard traders.

Preliminary figures subject to revision.

SUCCESSFUL YEAR FOR LIVESTOCK SALES AGENCY

More individual farmers and more communities showed 100 per cent loyalty to their associations in 1928 than ever before, according to a report from the management of the Central Cooperative Association, South St. Paul, Minn. This association is engaged in selling livestock on the South St. Paul market for shipping associations in Minnesota, Wisconsin, Iowa, the Dakotas, and Montana. During 1928 the agency handled the equivalent of 19,876 cars. Of this quantity of livestock the equal of 1,990 cars was received by truck.

The number of animals of each kind sold and the number purchased for farmers wanting stockers and feeders, was as follows for 1928:

	Cattle	Calves	Hogs	Sheep	Total
Sold	139,494	162,152	953,972	122,322	1,377,940
Purchased	950	2,427	5,011	9,127	17,515
Total	140,444	164,579	958,983	131,449	1,395,455

Net earnings for the past year were \$99,536. Out of this amount the agency will pay an 8 per cent dividend on outstanding capital stock, amounting to about \$28,000, and a patronage dividend equal to 30 per cent of the commissions deducted for services rendered to shippers and others.

The growth of the Central Cooperative Association since it began business on August 8, 1921, is indicated by the figures below:

Year	Animals handled*	Sales and purchases	Net earnings	Patronage dividends
1921	328,253	\$ 5,456,823	-----	----
1922	1,073,570	23,458,924	\$101,753	\$ 78,323
1923	1,449,074	25,741,794	96,373	72,753
1924	1,444,445	25,907,124	101,509	90,793
1925	1,367,653	35,006,931	113,506	93,885
1926	1,556,478	41,824,917	147,430	128,071
1927	1,474,346	34,330,922	108,470	#
1928	1,395,455	33,134,065	99,536	##

* Animals sold and purchased.

Thirty per cent of commissions, about \$100,000.

Thirty per cent of commissions.

SUBSTANTIAL REFUND TO COLORADO POTATO GROWERS

Refund checks amounting to more than \$51,000 were mailed to grower-members of the Colorado Potato Growers' Exchange, Denver, early in February, according to a recent report from the association. This amount represents the surplus over and above operating expenses last year. The highest refund rate is credited to potatoes shipped in branded bags, the "Colotato" stock receiving approximately $4\frac{1}{2}$ cents per cwt., while the average rate in all locals is approximately 2 cents per cwt.

Ten warehouses were operated by the Exchange during the 1927-28 season, which resulted in considerable savings, claims being from two to three cents less on warehouse-sorted stock than on stock sorted and loaded by individuals.

About 7,000 cars of potatces were shipped by the 23 active local units of the Exchange last year. This is the largest quantity shipped in the five years of operation. The following shipments are reported for the different years: 1923-24, 5,006 cars; 1924-25, 4,114; 1925-26, 5,660; 1926-27, 5,269; 1927-28, 6,969.

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SELLING EXCHANGE HELPS LOUISIANA FARMERS

Although the Louisiana Farm Bureau Selling Exchange, Baton Rouge, had to start out in 1928 with a new contract and conduct a new sign-up, it found at the end of the shipping season that it had more actual shipping members than in any of the previous five seasons. There were 338 in all. Shipments had increased as well as membership. The organization had handled about 23 per cent of the potato shipments from the state, compared with 16 per cent in 1927 by the old Exchange. Fifty-five cars of straight and mixed vegetables were also shipped before low prices forced the Exchange to stop shipping. This cut shipments by one-third. These products went into 30 of the principal cities. "Louisiana Pride" is the trade-mark used for high quality produce.

The Louisiana Farm Bureau Selling Exchange was organized in its present form in November, 1927. As all contracts with the former organization expired with the 1927 marketing season, a new contract was prepared eliminating some of the undesirable features of the former document and including new features. This new contract, embodying the results of five years' experience, is considered more satisfactory than the former one. By January 25, 1928, the number of contracts in force had increased to 475, representing growers in 20 parishes.

All 1928 expenses were paid and the Exchange began the 1929 season with a clean slate. On the first of the year it returned to its 338 members something over \$3,000, representing two-thirds of the revolving fund set aside for operating expenses with the promise that the unused portion would be returned.

LOCAL CITRUS ASSOCIATION NEARLY DOUBLES BUSINESS

Net returns of the La Verne Cooperative Citrus Association, La Verne, Calif., were nearly twice as much in 1927-28 as in 1926-27, the figures for the two years being \$840,321, and \$435,877, an increase of \$404,444. The quantity of fruit packed was 190,842 boxes, including 123,631 boxes of navel oranges, 56,818 packed boxes of Valencia oranges and 9,918 boxes of lemons. Gross receipts amounted to \$1,016,537 in 1927-28, compared with \$542,314 in 1926-27, and \$309,700 in 1925-26. Last year showed a net increase of 175 acres of groves. The association is a local of the Mutual Orange Distributors, Redlands.

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MANY MARYLAND FARMERS MEMBERS OF EXCHANGE

More packages of farm products were marketed through the Peninsula Produce Exchange, Pocomoke City, Md., in 1928 than in 1927, although gross sales were less. The increase in number of packages was 69,036, and the decrease in sales was \$1,013,721. This decrease was due to the lower prices, especially for potatoes.

The Exchange was organized in 1904 by farmers and professional and business men. Potatoes and other farm products are marketed on a commission basis, and a stock of seeds is carried for the convenience of farmers and others. The Exchange serves about 2,000 farmers.

On January 1 of this year the net worth of the organization was \$268,170, made up of common stock, \$142,845; preferred stock, \$96,900; surplus, \$25,000; undivided profits, \$3,425. Net earnings have varied during the last eight years from \$2,000 to more than \$23,000, as will be noted by the figures below:

<u>Year</u>	<u>Packages handled (Number)</u>	<u>Amount of business</u>	<u>Net earnings</u>
1921	---	\$1,884,597	\$ 9,344
1922	---	1,973,056	21,129
1923	---	2,818,280	23,115
1924	---	2,197,176	23,517
1925	---	2,975,256	21,290
1926	---	2,844,879	22,475
1927	635,195	2,361,915	20,281
1928	704,231	*1,348,194	1,559

*Decrease from 1927 caused by low prices for potatoes.

FARMERS' ELEVATOR OPERATES SEVERAL STATIONS

Seventeen of the nineteen stations operated by the Farmers' Grain Company, Devils Lake, N. Dak., handled 1,329,891 bushels of grain during its last business year. Earnings on grain were \$75,921; income from the sale of fuel amounted to \$6,315; storage and handling charges were \$19,-249; and commissions and claims, \$4,826, making total earnings, \$106,303. Net earnings amounted to \$20,600. In two stations the storing of grain was the only activity for the year. This company was organized in 1904, and holds memberships on several grain exchanges.

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ELEVATOR EARNINGS GO TO FARMERS

In consequence of owning and operating their own elevators the members of the Saskatchewan Cooperative Wheat Producers, Ltd., Regina, are receiving a patronage dividend of \$1,430,791. This amount represents net earnings by the pool elevators on grain handled during the 1927-28 season. Dividend payments are being made to the producers on the basis of 1½ cents a bushel for grain delivered through pool country elevators and one cent a bushel on grain delivered over the platform to pool terminals. Surplus earnings from elevator operations have been returned to growers as follows: 1925-26 season, \$446,000; 1926-27, \$1,372,000; 1927-28, \$1,430,791; total, \$3,248,791.

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FARMERS' UNION JOBBING ASSOCIATION REPORTS

In its fifteenth year of operation, 1928, the Farmers' Union Jobbing Association, Kansas City, Kans., handled nearly 3,500 cars of grain on consignment, and purchased and sold about 250 cars. In addition the Salina office purchased and sold about 500 cars and handled some on consignment. Hay is another important product and the association handled 448 cars on which the commissions totaled nearly \$5,000. One hundred twenty straight cars of flour and feed and about as much more sent out by trucks, brought commissions of over \$550. Seventy-seven cars of tankage and a similar quantity in local shipments, resulted in commissions of \$2,500. The coal business was better than usual and the brokerage on 138 cars came to nearly \$1,500. Thirty-three cars of cotton seed, 15 cars of oyster shell, a few cars of linseed meal, and a number of cars of salt, were also sold.

Net earnings for the year were nearly \$50,000. After paying interest on preferred stock and common stock, and cleaning up the loss of over \$47,000 caused by the bank failure, there was a small reserve remaining from the operations of the year.

On December 31, there was \$117,160 of capital stock outstanding consisting of preferred stock to the amount of \$54,250 and common stock amounting to \$62,910. There was a surplus at the close of the year of \$8,650, giving the organization a net worth of \$125,810.

WHY FARMERS' ELEVATORS SUCCEED

"Good management" is the most important factor in the success of farmers' elevators, according to a recent expression by the officers of such enterprises in connection with a study by the Division of Cooperative Marketing of the U. S. Department of Agriculture. In a list of the reasons for success "good management" was given 223 times, "loyal members" was given 121 times and the "pursuance of careful policies" 98 times. Other reasons were also given among which were "efficient selling methods," "favorable business conditions," "sufficient volume of business," and "fair treatment of patrons."

As part of the same study, causes of unfavorable financial conditions of elevators were also tabulated. The four causes most frequently given and the number of times each was mentioned are as follows: "Lack of volume of business," 51 times; "poor management," 33 times; "unsafe business practices," 25 times; and "too strong competition," 18 times.

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BUSINESS OF IOWA ELEVATOR IS INCREASING

Sales of the Blencoe Farmers' Elevator Company, Blencoe, Iowa, for 1928 were \$769,580. Grain sales amounted to \$703,551, and sales of sidelines such as coal, lumber, flour, feed, seeds, and implements, amounted to \$66,029. From 1924 through 1928 total sales increased 122 per cent. The handling of corn constitutes nearly two-thirds of the total business, the handling of wheat 22 per cent, and the handling of sidelines, nearly 10 per cent.

This association was organized in 1912 and now has a membership of 146. Its capital stock amounts to \$31,800, divided into shares of \$50 each. Buildings and equipment have a depreciated value of \$27,590, and net worth at the close of the 1928 year was \$77,360.

Business transacted by this farmers' elevator during recent years is as follows:

Year	Corn	Wheat	Oats	Sidelines	Total
1924	\$218,329	\$80,904	\$4,998	\$41,708	\$345,939
1925	-----	-----	-----	-----	389,939
1926	437,174	127,232	14,413	60,081	638,900
1927	391,824	126,183	9,514	59,827	587,348
1928	501,994	186,912	14,645	66,029	769,580

A CAR OF SWEET CREAM A DAY

Sweet cream to the amount of a car load a day is being shipped to New York City by the Twin City Milk Producers' Association, St. Paul, Minn., which has made contracts covering that quantity for the six months, January 1 to July 1. The cream is shipped in express cars, 200 cans of 40 per cent cream to a car, and either iced or covered with straw, depending upon the weather. Beginning July 1 and continuing until December, all available cream will be required by the association for meeting the demands of its regular customers.

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ADVERTISING CAMPAIGN FOR TILLAMOOK CHEESE

The Tillamook County Creamery Association, Tillamook, Oregon, an organization marketing cheese for 700 farmers in western Oregon, has prepared a set of eleven advertisements to be used in newspapers on the Pacific Coast. The advertisements feature cheese as a food and emphasize the fact that "Tillamook" cheese is never recooked or reworked. In addition to these advertisements this farmers' association has prepared for free distribution upon request, an attractive 24-page booklet giving recipes for novel and staple cheese dishes. The Tillamook Association in 1927 sold 7,285,141 pounds of cheese from 23 farmer-owned cheese factories in Tillamook County. The bulk of the cheese is sold in California, and practically all on the Pacific Coast. An advertising fund has been maintained for several years by a small deduction per pound from cheese sales.

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DAIRYMEN'S LEAGUE MAKES AND REPAIRS EQUIPMENT

An unusual line of work for a cooperative association is that of maintaining a service and maintenance shop with a force of men ready to go anywhere, any time of the day or night. Such a shop is maintained by the Dairymen's League Cooperative Association, at Greene, N. Y., in practically the center of the League territory.

An unused building at this point was utilized in 1924 to store idle or broken equipment. Later, some of this equipment was repaired on the premises, then certain articles were manufactured, and now the League employs 36 men at this shop, including expert machinists, men with special training in copper and nickel work, and in other lines. The shop is prepared to manufacture nearly everything needed for a modern milk plant except separators, and is making much of the machinery and equipment used in the plants of the League. The men may be called to any of the League plants at any time for repair work or for installing new equipment.

INCREASED MEMBERSHIP IN CONNECTICUT ASSOCIATION

Several hundred new members were added to the Connecticut Milk Producers' Association, Hartford, during 1928. At the close of the year there were 3,547 members, with 253 different post office addresses and owning 45,450 cows. The milk from these cows, amounting to 316,000 quarts a day, was being sold to 112 dealers.

Operating expenses for 1928 amounted to \$29,717. More than \$37,000 was collected for a reserve fund for extraordinary emergencies and more than \$30,000 was collected for use by the Connecticut Dairy and Food Council in disseminating information regarding the food and health value of dairy products.

This association has completed its twelfth year. In preparation for milk marketing in 1929, 52 meetings with growers in all parts of the state have been scheduled. These started February 18 and will continue until March 22.

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NEW CREAMERY PLANT FOR NORTHERN ALBERTA

The Northern Alberta Dairy Pool, Ltd., Edmonton, is to have a new, thoroughly modern, creamery plant in the near future. Construction is to begin at once and the plant costing \$75,000 is to be ready for use by the last of May. Plans call for sufficient cold storage facilities to meet the needs of the Alberta Cooperative Poultry Producers, Ltd., in the northern part of Alberta, as well as the dairy association.

The dairy pool was organized in the summer of 1928, during the meeting of the Alberta Institute of Cooperation, on the basis of the experience of the Central Alberta Dairy Pool and the advice and information received at the Institute. The new organization took over existing facilities. It adopted a form of contract uniform with that of the Southern Alberta Dairy Pool, and now has secured a membership of 847. Already the pool has received cream from 2,141 patrons, with 287 different post office addresses. Sixteen producers are shipping from one point 238 miles from Edmonton.

Operations of the first half year resulted in earnings of \$12,064, and the books were closed on November 2, that a patronage dividend might be distributed before Christmas. The refund available amounted to $3\frac{1}{2}$ cents per pound of butterfat. Of this, 2 cents was returned in cash and $1\frac{1}{2}$ cents in the form of participation certificates to be redeemed later.

In the summer of 1928, the three Alberta dairy pools, representing the southern, central and northern portions of the province, formed a federation to be known as the Alberta Cooperative Dairy Producers, Ltd. This organization is to serve as a central sales organization, and a coordinating body to insure uniform practices by the three member units.

SELLING POULTRY COOPERATIVELY IN ALABAMA

Cooperative poultry marketing is being carried on in Alabama under direction of the Alabama Farm Bureau Federation, Montgomery, and the State Extension Service. In a single week of the 1929 season the poultry producers sold approximately 122,431 pounds of poultry which brought returns of about \$24,000 at the car door.

Similar sales are to be conducted during the next four months, reaching every section of the state. Two or more cars are to be loaded each week. County agents, district agents, and other agricultural workers will assist in advertising the sales and in otherwise carrying out the plans.

Last year 43 cars of poultry were sold under this plan, and this year the marketing specialists anticipate handling at least 50 cars, and reaching sections of the state which have not had this service before.

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NOVA SCOTIA PRODUCING MORE EGGS

Forty-one egg circles are included in the membership of the Maritime Egg and Poultry Exchange, Truro, Nova Scotia, states a consular report from Halifax. The first of these circles was organized at Pomquet in 1927 and last year shipped 17,736 dozen eggs, more than any other circle in the province. The Exchange also serves about 40 circles located in New Brunswick. There is a membership of about 1,700 in the circles of the two provinces. Last year the Exchange sold about 51,000 baby chicks from its hatchery.

Egg production in Nova Scotia increased last year, the total being 195,953 dozen compared with 162,897 dozen in 1927. The local egg circles and the Maritime Exchange handled practically the entire output. The Exchange handles eggs and poultry for its membership on a contract basis. In addition it receives poultry products from non-members, but only members share in the patronage dividends.

For several years the government of Nova Scotia has been working to encourage the development of the poultry industry, and after flocks and production had increased, officials instructed poultrymen in approved methods of distribution. As a result of this assistance the local circles and the Maritime Egg and Poultry Exchange were established, with government officials acting in an advisory capacity only. Both provinces still find it necessary to import eggs, and prices are said to be higher than in other provinces.

CREDIT CORPORATION FOR PACIFIC WOOL GROWERS

The Pacific Wool Growers' Credit Corporation, Portland, Oreg., a subsidiary of the Pacific Cooperative Wool Growers, is now ready to make loans direct to members. A member who wants to secure an advance before shearing may notify the corporation, stating the size of his flock and whether there is any loan against it, and the corporation will prepare the necessary papers. The rate of advance will be \$1 a head and the interest rate 6 per cent.

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COOPERATIVE WOOL MARKETING IN TENNESSEE

Tennessee wool producers have been cooperating in marketing their annual clip for ten years. During that time they have conducted 228 local sales at which they have sold 1,793,048 pounds of wool for \$722,694. The savings, or gains, to the producers because of performing for themselves services which traders and dealers are generally paid for doing, are estimated at \$88,000.

In this marketing work the producers have had the assistance of marketing specialists of the State College of Agriculture and of county agents, who have arranged for the yearly sales and have often given demonstrations of approved methods of handling wool.

On the day of sale the producers deliver their clips at the selected shipping point, where the wool is graded and offered to the highest bidder, who may be a dealer or a mill buyer. There is frequently an informal organization with a sales committee which receives the bids and decides which shall be accepted.

In figures the story of ten years of activity is as follows:

<u>Year</u>	<u>Number of sales</u>	<u>Number of consignors</u>	<u>Wool handled</u> (Pounds)	<u>Amount of sales</u>
1919	8	189	31,337	\$ 16,195
1920	15	562	92,759	33,553
1921	14	806	133,031	22,747
1922	18	811	133,877	51,475
1923	31	1,505	248,303	118,935
1924	35	1,510	249,223	87,064
1925	26	955	157,589	67,303
1926	28	1,331	229,664	87,277
1927	26	1,559	256,044	97,739
1928	27	1,567	261,216	140,393

WHOLESALE COOPERATIVE OIL COMPANY

A recent development in the cooperative purchase of oils is the Union Oil Company, Cooperative, Kansas City, Mo., which was brought into existence by the reorganization of a private company. This new cooperative is functioning as a wholesale purchasing agency for the farmers' local oil companies operating pumps and tank wagons. Membership in the wholesale consists of both local companies and individuals. The earnings will go to the patrons, thus reducing the cost of supplies. The wholesale will handle pumps, tanks and other equipment, as well as gasoline, kerosene and lubricating oils.

The management plans to assist farmers in the formation of local associations. A radio program in behalf of the cooperative buying of oil, is being broadcast by the Missouri State Marketing Bureau.

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NEW LINES OF BUSINESS FAVORED FOR FARMERS' UNION

Members of the Oklahoma State Farmers' Union recently authorized their organization to undertake various additional lines of business. At the annual meeting, held in Oklahoma City, January 14-16, a number of special committees reported and recommended certain lines of action, most of which were approved by the members present.

A committee on cooperative stores and produce recommended that all cooperative stores should be linked together for buying through the Farmers' Union Exchange, also that the executive committee should be authorized to organize a State Produce Exchange with service stations at various points throughout the state, to handle the products of local associations. A committee on cooperative elevators advised that cooperative elevators should be bought or built in sections where they were needed. The committee on cooperative gins recommended the use of cotton bagging, and urged the state organization to devise ways and means for buying building materials, bagging, ties, and other materials. The committee on cooperative creameries deplored the present lack of Farmers' Union creameries and recommended that cooperative creameries be established wherever there was sufficient business to warrant, and that local cream stations be established at other points.

On motion from a member, the executive committee was requested to formulate a plan for handling gasoline and oil on a statewide basis.

A somewhat unusual resolution called for propaganda in churches and schools in favor of the Farmers' Union. After discussion this resolution was adopted.

Most of the delegates visited the cotton gin belonging to the State Farmers' Union and witnessed a demonstration of its work.

CANADIAN STORE MAKES RAPID GROWTH

At Timmins, Ont., is the cooperative store of the Workers' Co-operative of New Ontario, which was organized in 1926 by Finnish and Ukrainian workers.

The store was started with 30 members and the sum of \$2,550 as capital. Business developed rapidly and in the two years the membership has increased to 394 holding 1,061 shares of stock at \$10 a share, fully paid. Sales for the last two months of 1926 totaled \$24,272; for 1927, \$267,378; and for the first ten months of 1928, \$358,116. Patronage dividends have been paid to consumers to the amount of \$9,144.

The association started in business with a staff of nine, which has increased now to 24. As the matter of securing the right kind of a staff for a cooperative store, is a difficult one, the association has mapped out an educational program for the present winter in order that all may become familiar with cooperative principles and practices.

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LATVIA ENCOURAGES DAIRY COOPERATIVES

Cooperative dairies were started in Latvia about 18 years ago, states a consular report from Riga. In 1914 there were 88 in the country, besides about 100 owned by individuals. These were almost completely destroyed during the war, the buildings were demolished and much of the machinery and equipment was carried into Russia.

When Latvia proclaimed its independence in 1918 there were only 15 dairies in operation. Since 1923 the dairy industry has expanded rapidly and the number of cooperative dairies stood at 529 on November 1, 1928, and many of these were operating substations in outlying territory. Dairies with steam power serve an average of 132 farms; and hand-power dairies, 48 farms.

All dairies intending to produce butter for export are required to register with the Ministry of Agriculture, in order to assure the export of only high quality products. There has been a rapid development in the export business. From 33,000 pounds in 1921, and 2,000,000 in 1922, the quantity increased to 26,276,685 pounds in the first 11 months of 1928, with a value of over \$9,000,000.

Riga is the port through which butter is exported, and regular steamship connection is maintained between Riga and London, Stettin, Hamburg, and Copenhagen. Previous to loading, the butter is inspected and precooled in a new cold storage plant built by the Government for this special purpose.

HISTORICAL SKETCHES, No. 2. AN EARLY CHEESE FACTORY

Full credit for originating the system of cooperative dairying in the United States, is generally given to Jesse Williams of Rome, Oneida County, N. Y. In 1851 Mr. Williams established "the first real cheese factory which served as a motive and incentive to others." This was begun as a matter of convenience to his own family with no idea that he had hit upon a principle of wide application.

Most of the cheese made in the farmhouses of the day was poor, but Jesse Williams was a skillful cheesemaker and his quality cheese was in good demand. In 1851 he contracted the cheese from his own farm and that of his son for seven cents a pound, which was considered an exceptionally good price. The son had recently married and moved to another farm. He was inexperienced in cheese making and doubted his ability to make cheese of the high quality demanded by the contract. At this juncture someone suggested that the father make the cheese from both herds. The suggestion seemed so practical that it was accepted, a factory was built and cooperative cheese making begun. The son delivered his milk at the home farm every day, and soon some of the neighbors were doing likewise. The success of this factory led to the establishment of many similar factories through New England, the Middle West and Canada. In Europe this was called the "American system of dairying."

Jesse Williams not only made excellent cheese but was willing to tell others how he did it. He also invented and developed many appliances and implements for his factory. On these he refused to take out patents but "presented them as a gratuity to the world." Many descriptions of his factory and his processes of making and handling cheese are found in the agricultural publications of the period, often with illustrations of the factory and equipment, all of which helped to put cheese-making on a more scientific basis.

Under date of 1871 we find the statement that the original plan of organization was still unchanged, "in organizing factories, in the manner of delivering milk, in the relation between manufacturer and patron, in disposal of the product . . . it is the same to-day as when Jesse Williams mapped it out in 1850 for the first cheese factory." The same article gives a form of preliminary agreement used in organizing a factory.

Cheese makers had worked together before 1850. We read of an attempt at cooperative dairying in Connecticut in 1808, of a factory in New York about the same year, of cheese rings in Massachusetts in 1835, and of an Ohio factory in 1848. As early as 1841 a Wisconsin man named Pickett made cheese in his farm kitchen from all the cows in the vicinity, 20 besides his own 10, and divided the cheese in the fall. However, these sporadic enterprises passed away and left little impression on the industry, while the Williams factory served as a model in developing improved methods of making and handling cheese.

TENNESSEE HOLDS SCHOOL OF COOPERATION

A three-day school of cooperative marketing was held at Humboldt, Tennessee, February 7-9. The school was sponsored by the Tennessee College of Agriculture, the Extension Service, the State Bureau of Markets, and the Tennessee Farm Bureau, the Division of Cooperative Marketing of the U. S. Department of Agriculture cooperating. Two members of the Division of Cooperative Marketing were among the instructors.

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SOUTH DAKOTA HOLDS COOPERATIVE INSTITUTE

South Dakota's cooperative enterprises were well represented at the fourth South Dakota Cooperative Institute, held at Sioux Falls, January 10 and 11. The interests of the livestock associations, the cooperative elevators, the cooperative creameries, the insurance company, and the wheat pool, were presented at the meetings. Among the speakers was a member of the Division of Cooperative Marketing, U. S. Department of Agriculture. The Institute was reported to be the best held yet.

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NEW LIST OF HOUSE ORGANS PREPARED

The Division of Cooperative Marketing has revised for 1929 its list of "Publications Issued by Farmers' Business Associations," and copies of the list will soon be available for distribution to persons making request.

The number of entries is the same as one year ago, 97. However, there have been a number of changes and the distribution is somewhat different. The dairy publications are still in the lead, issuing 25 papers, compared with 22 last year; the fruit and vegetable associations have 16 papers, one less than a year ago; the cotton and grain groups are each issuing 8 periodicals, 2 less for each group; the poultry group has 7, a decrease of one; wool associations still have 5; and nuts and tobacco, 3 each; the livestock group has gained one, making 4; beans and potatoes have the same number as last year, 2 each; and watermelons, one; the miscellaneous group has increased by one, making a total of 13.

Copies of the list may be procured from the Division of Cooperating Marketing, U. S. Department of Agriculture, Washington, D. C.

NEW BOOK ON COOPERATION IN AGRICULTURE

"Cooperation in Agriculture" is the title of a new book dealing with cooperative marketing by farmers. The publication, a volume of 467 pages, is the work of Professor H. C. Filley of the University of Nebraska.

Professor Filley has been, to a considerable extent, part and parcel of the cooperative movement in the Nebraska section of the grain belt. He has taught the subject of cooperation, has assisted in the development of cooperative enterprises of various kinds, has participated in state and national meetings at which policies were formulated, and now has made a formal record of his observations and conclusions.

Valuable material of a historical nature has been used that the reader may understand why farmers at various times have become dissatisfied with existing economic conditions, what they have attempted to accomplish through united effort, their expectations as to results, and the real value of their cooperative activity. Detailed information is given regarding the conditions which produced the farmers' elevator movement, which so far has been the most extensive of the many cooperative efforts.

In the opinion of the author the essentials for making a farmers' elevator cooperative are: (1) one man, one vote, (2) dividends on capital stock limited to current interest rates, and (3) division of profits in proportion to patronage. Other essentials for the success of a farmers' elevator are discussed. The enterprise must be "born of necessity"; there must be ample capital; members should be grain growers; business should be handled on a cash basis; accurate records should be kept; the elevator should operate at a profit; speculation should be avoided; there should be equitable treatment for all customers; and good management should be provided.

Attention is given to the more significant facts in the development of the cooperatives which have been in the past, or are to-day, concerned in the marketing of fruits and vegetables, cotton, tobacco, dairy products, livestock, wool, poultry and eggs. In each instance the factors for success or failure have been pointed out.

Under the chapter heading "The Future of the Cooperative Movement" the author says, "Cooperation has had a long, hard struggle to secure recognition as a legitimate, satisfactory method of transacting business. It has been a process of education, and to some extent of experimentation." Three limiting factors are given by the author to the possible extension of cooperation, namely, (1) the efficiency of the cooperative enterprise compared with the efficiency of private business; (2) the desire of people to save by performing services for themselves; (3) the possibility of the states being forced to enter the business field.

R. H. Elsworth

REPORTED BY THE ASSOCIATIONS

Lubricating oils, binder twine, hog feed, house and barn paints, and poultry feeds, are some of the commodities handled by the Iowa Farm Bureau Service Company, Des Moines. This organization has been functioning about two years.

Motion picture films telling the story of the cooperative marketing of livestock at Pittsburgh and Cleveland, have been prepared by the producer sales agencies at those points and are now available for the use of local shipping associations and other groups of farmers.

Three Minnesota creameries which began operations since December 19 have joined the ranks of the Land O'Lakes Creameries, Inc., Minneapolis, and started out to make Land O'Lakes butter. Another creamery in Missouri has taken similar action. This Missouri creamery, which is already making 93 score butter, has 1,200 patrons.

Insurance was written on nearly 7,000 automobiles during 1928 by the insurance department of the Iowa Farm Bureau, Des Moines. The total number of policies in force at the end of the year was about 8,500. The insurance department also wrote \$825,000 of life insurance during the year, compared with \$198,000 in 1927.

Sales of the Greenville Equity Union Exchange, Greenville, Ill., totaled \$123,743 for the year ending December 31, 1928. Weighing and grinding brought in an additional \$2,045, and the year closed with net earnings of \$4,525. Net worth of the Exchange at the close of the year was \$37,333. An elevator, a warehouse and coal sheds are operated.

Thirty-three cotton gins are being operated by the Texas Farm Bureau Gin Company, Dallas, the current cotton-marketing season. This is one more than twice the number of gins operated by this company during the 1927-28 season. Last year a total of 27,551 bales of cotton was ginned. So far this season the gins have turned out more than 46,000 bales.

The management of the organization for rehabilitating the Nebraska Wheat Growers' Association announces that on December 1 there were more than 10,500 new agreements on file at the campaign headquarters. These contracts represented 750,000 acres. The management hopes to have twice this acreage under contract by the time of the reorganization meeting, to be held in Lincoln in April.

SELECTED LIST OF PUBLICATIONS AND ARTICLES

- Booth, J. H. Farmers Must Enter the Terminal Market. Wheat Growers' Journal, Wichita, Kans. February 1, 1929, p. 1.
- Brackeen, L. O. The Farmers' Business Runs into Billions: Alabama Finds Cooperative Selling and Buying are Effecting Needed Savings. Progressive Farmer (Georgia-Alabama edition), Birmingham Ala., December 15, 1928, p. 3.
- Chicago Milk Victory an Epic Story. Maryland Farmer, Baltimore, Md., February 1, 1929, p. 1.
- Farmers Share Profits Made with Their Own Product. Northwest Dairyman and Farmer, Seattle, Wash., January, 1929, p. 8.
- Grain Pool Wins Out. (Editorial) Farm and Dairy, Peterborough, Ont., January 31, 1929, p. 8.
- The Last Will and Testament of the Old Association: Are the Terms Reasonable? Is the Legacy Worth While? Sunsweet Standard, San Jose, Calif., January, 1929, p. 3.
- Macklin, Theodore. Testing the New Association. Sunsweet Standard San Jose, Calif., January, 1929, p. 1.
- O'Hara, W. C. Legal Battles in the Black Patch. Cooperative Marketing Journal, Memphis, Tenn., January, 1929, p. 9.
- Randell, C. G. What Large-Scale Business Operation Has Done for Industry and Agriculture. (Address) Western Cattle Markets and News, San Francisco, Calif., January, 1929, p. 5
- Rinehart, E. F. Sheep Pool Helps Farmers: Twelve Counties Report Success in Marketing Lambs on Cooperative Basis. Idaho Farmer Boise, Idaho, January 31, 1929, p. 2
- Sondergaard, H. T. A Wisconsin Cooperative Conquest: The Story of Progress and Changing Methods in Marketing by Northwest Creameries. Wisconsin Farmer, Madison, Wis., January 31, 1929, p. 8
- The U. G. G.'s Fine Statement. (Editorial) Farm and Dairy, Peterborough Ont., January 31, 1929, p. 8.
- Ward, R. A. Wool Marketing and Financing. Pacific Cooperative Wool Grower, Portland, Oreg., January--February, 1929, p. 1.